

# NATIONAL REVIEW

## Bulletin

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**A**n unsparing fortune is often there to thrust forward the apposite symbol, the fiddle for Nero, the putter for Eisenhower. Now it is crutches for Kennedy, the dreadful symbol of impotence. We pray that before the ink has dried on these words the President's back will be totally cured, and his crutches discarded forever. But for the moment the symbol is grotesquely significant. He went to Paris and to Vienna. From de Gaulle he got, so far as can be seen, nothing. From Khrushchev in Vienna he got worse than nothing. Three important issues have occupied, during the last month, the center of the stage of the third world war. The first is Laos, the second Berlin, the third disarmament. Before Kennedy was back at his desk from his epicurean tour, the Reds had redoubled (in violation of their recent promise) the military aggression against Laos; reiterated (in violation of an understanding that dates back to 1945) their threats against Berlin, giving a fresh deadline; discontinued (in violation of their announced determination to pursue the talks to a profitable end) for all intents and purposes the talks on nuclear disarmament. At just that point Kennedy reached for his crutches. His wife began a leisurely trip through the Aegean isles.

A week has gone by, and there is no response at all, let alone an effective, or galvanizing response, by the bold and dynamic Administration which was to dissipate

the dreadful lethargy of the Eisenhower Administration and set America to Moving Again. And yet the response is clearly indicated. In Asia: the mobilization of the SEATO armies and their commitment to resist by force of arms the invasion of the rebel Communists, combined with irredentist activity by free South Vietnam upon her slave-sister North Vietnam. In Europe: the mobilization of the armies of NATO, directed to withstand aggressions against Berlin or any attempt by the government of East Germany to suffocate the city. In the weapons development centers of the nation: the immediate resumption of nuclear tests designed to perfect more discriminating instruments of modern warfare.

That is not a bellicose response, but a pacific response. It needs to be said again and again and again that only military superiority and the will to guard the frontiers of freedom will avert the holocaust and the death of liberty for all men. When the crutches are gone, let us hope to see a new man: a thinking man: a man.

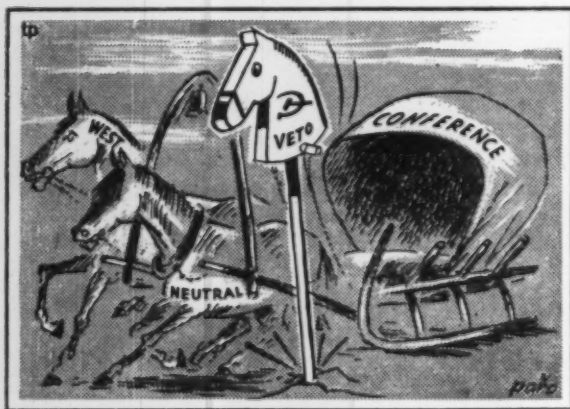
## The WEEK

● Only eight foreign countries have shown any interest in President Kennedy's brother-in-law's Peace Corps (Italy backed out when the official translation revealed it wasn't the Pizza Corps). When the shoot was green, some 25,000 inquiries were made. But only 9,200 of the curious have completed their questionnaires, and of these the Peace Corps estimates only half will complete the five-hour examination. The physical and psychiatric tests will doom many of these survivors to the non-Peace Corps sector of the economy. That's the kind of sacrifice that every citizen should be proud to make for the New Frontier.

● Treasury holdings of gold, which declined \$394 million in January and February, have risen \$55 million since then as a result of many adventitious factors: 1) President Kennedy said he would *never* devalue the dollar; 2) the Federal Reserve fiddled with the money market to drive short-term interest rates up; 3) West Germany prepaid some obligations, reduced her interest rates, took over some foreign aid programs, and increased the gold content of the mark; 4) The United States took some German payments in marks, to be used to support the dollar in German markets; 5) the major Western powers formed an unofficial monetary stabilization pool under an agreement that may terminate this summer; 6) the British pound has sagged; 7) Americans who held gold overseas had to sell it before June 1st; 8) United States interest rates have become relatively attractive in view of the troubles with the British pound and the charges levied on foreign deposits in continental banks; 9) Soviet Russia, forced to buy foodstuffs after two years of crippled harvests in the Communist bloc, has sold in European markets more gold so far this year than in all of 1960. All of which dulls the pain but cures not the illness.

For the Communists have no interest in supporting the dollar: indeed, they are now in a position to jeopardize it at a time of their choosing; and the patience of the Germans is as limited as their gold reserves—an observation supported by the increasing hints in the German press that the only long-term answer to the United States' gold problem is to put a final stop to our domestic inflation.

● General Edwin Walker advises us (by phone from Heidelberg) that he is not in a position to make public the exact nature of the statements for which he has recently been reprimanded, owing primarily to the imminent criminal libel trial against *Overseas Weekly* by the West German Government. (It has not been widely reported that the German Government, upon investigation, took over the General's case against the magazine.) The trial should take place in about six weeks. Maximum statutory fine against *Overseas Weekly*: 30,000 marks (\$6,000). The General reiterates his earlier statement that "what was quoted by *Overseas Weekly* was not true," and adds that in its summation last week of the action of his superiors, the press in general held him responsible for mentioning one person he had never criticized.



Nikita's Hobby

Tarentel Press

● Now that the District of Columbia has in a Constitutional Amendment secured the vote in Presidential elections, Republicans are worried lest everyone in D.C. be allowed to vote. Mr. Kennedy wants a voting law which will permit 18-year-old voting, 90-day residence requirements, free and easy absentee voting regulations, and virtually no literacy requirements. Republicans want 21-year-old voting, strict residency regulations and tighter requirements for getting on the ballot. The underlying cause of the controversy is the influx of Negroes into Washington. The District of Columbia has lost net: 38,000 residents in the past ten years. Whites decreased by 174,000, non-whites increased by 136,000. (Present population: white, 344,000; non-white, 420,000.) The statistics also show that the highest increase of Negroes is in the under-21 age bracket. In the past ten years, over-21 whites

decreased 143,000 while over-21 non-whites increased 53,000. In the same period, the under-21 whites decreased 31,000, while the under-21 non-whites increased 84,000. Negroes as a rule vote Democratic. These are the unspoken facts behind the Republican-Democratic controversy over D.C. voting.

● The Evian negotiations on Algeria were broken off by France last week in order to give both sides "time for reflection." The French indicated they might be resumed in ten to fifteen days' time but, significantly, declined to set a definite date. The move came as a surprise to the Algerian delegates, who have conducted their negotiations with high-handed arrogance, refusing to order their troops to cease fighting even though French troops have been called off: refusing even to discuss, prior to independence, what guarantees they will give to the million plus Frenchmen living in Algeria; and refusing, finally, to listen to any French proposals on the future of the mineral-rich Sahara. There are signs that moderates in Tunisia and Morocco, who are eager for a quick settlement of the Algerian war so that they can get on with their cherished notion of Maghreb, an alliance of the former French North African states as a counterpoise to Nasser's Arab League, are impatient with the intransigence of the Algerian leaders. They may well take advantage of the "time for reflection" to put pressure on the GPRA (the provisional Algerian government) to talk in realistic terms when France decides to resume the negotiations.

● *Newsweek* subscribers who set out to cancel their subscriptions when the *Washington Post* announced the acquisition of a controlling interest were sweettalked by the publishers into believing there would be "no change in *Newsweek's* policies." Recent examples of the fine hand of the Left: 1) diversionary cover story on Caroline Kennedy right after the Cuban tragedy; 2) ferociously slanted story against American Medical Association in its dispute with Secretary Ribicoff on socialized medicine; 3) this week's ecstatic puff for hard-Left weekly, the *New Republic*.

## Housing, etc.

The Senate has passed President Kennedy's housing bill—a six-billion-dollar jamboree of urban renewal, long-term loans, subsidized interest rates, construction of low (subsidized) rent public housing, low (subsidized) interest-rate loans for college dormitories, redoubled loans for housing for the elderly, prolongation of the Veterans Administration housing program, continuation of federal loans for local sewers, streets and public building improvements. The whole thing is so wrong, it fairly takes your breath away.

If the Senate were more interested in housing than in porkbarrel politics, it would have reasoned as follows:

decent housing costs more than the average man can afford; the factors in this high cost are tax policies, labor union power, and governmental policies; we shall correct them with legislation to: 1) Reduce income tax rates; 2) urge local governments to tax land rather than structures; 3) abolish the tax deduction for interest on residential mortgages; 4) prohibit discriminatory hiring in building trades unions; 5) prohibit discriminatory production limits on individual workers; 6) prohibit collusive and monopolistic strike policies among the various building trades unions; 7) cease all governmental interference in the housing market that results in artificial demand. Ah, well. The Senate bill now goes to the House, where we hope some daredevil will rise to ask what section of the Constitution authorizes the Federal Government to tax Alaskans for sewers in Squedunk. (Get that man's name!)

## ***All the Little Liberals Go Cluck, Cluck, Cluck***

General Edwin Walker has turned every Liberal in the country into a veritable drill sergeant in charge of military etiquette. That band of brave guardians of civil liberties is clucking with satisfaction at the reprimand given to General Walker for saying . . . for saying what? The investigating commission has not revealed just what it is General Walker said, but it is not contended this side of the professional scandalmongering magazine, *Overseas Weekly*, that he said anything more than that Edward R. Murrow, Adlai Stevenson, Harry Truman, and Eric Sevareid were "pink." Pink is a word us professional verbalizers don't use, because it is inexact: but generals aren't professional verbalizers, they merely fight, to make it possible for the rest of us to verbalize. And if we did admit "pink" into the vocabulary, we—pros—would say that, roughly speaking, a pink in American politics is the kind of person who subscribes to the program of the Americans for Democratic Action, in which case, *ex officio*, Murrow, Stevenson, Truman, and Sevareid are pinks—ya hear us, sergeant?—P-I-N-K-S.

We are all of us for the rule that commits the military to obedience to the civil arm, and the question arises whether, by one (ambiguous) reference to the fact that pinks are pinks even if they are powerful members of the American Establishment, General Walker strained this principle so severely as to bring down upon himself the massive retaliation of the Liberal machine. A few years ago, when a United States Senator undertook to inquire of a general why a Communist subordinate in his command had been promoted, the news stories sang out the glorious war record of General Zwicker. Today they celebrate not military heroism, but the alertness of the monocled civilians who wrested the 8th Army Corps Command away from a man who reputedly said that in his judgment a few pink American political

**BRIEFS:** Hawaii sources report: in early April U.S. forces were concentrated in Far East; First Marine Brigade, several Army units, all sent to Okinawa; fleet units assembled in Philippine Islands and South China Sea; SAC planes ready at Guam in case of military showdown in Laos. All units have now returned to home bases . . . **Thai Foreign Minister had this to say about U.S. tactics at 14-nation (now 13-nation; Thailand has withdrawn) Geneva conference on Laos: We learned in Geneva that the United States "likes its foes better than its friends." . . .** North Vietnam, like China, Soviet Union, in trouble; harsh measures to collectivize agriculture have resulted in food shortage, near famine conditions, unrest and riots . . . Peiping reports: 10,000 Tibetan children rounded up and sent to Red China for "special schooling."

Sen. Dirksen would like to know why the "Tractors for Freedom Committee" has filed certificate of incorporation in Washington as a "perpetual charitable educational society." Incorporation papers, incidentally, signed by Victor Reuther (not Walter) and Joseph L. Rauh Jr., former ADA president (and paymaster extraordinary to confidence man Paul Hughes) . . . Sen. Dodd reports 97% of letters on prisoner exchange oppose tractor plan . . . **Rep. Mendel Rivers (D., S.C.) suggests a three-week ultimatum to Castro to make restitution for stolen U.S. property to be followed, if that fails, by a blockade and military occupation . . .** Cuban refugees have pinpointed for U.S. intelligence location of fifteen concentration camps in Cuba . . . Quai D'Orsay refuses to deny or confirm published reports that President de Gaulle will visit Moscow in the near future . . . Frol Kozlov, Nikita Khrushchev's latest heir apparent, believed to be more seriously ill than Kremlin says.

Army investigators found that Gen. Edwin Walker's "Pro-Blue" program was in no way influenced by the doctrines of the John Birch Society, but the "Special Warfare Office" he set up to administer program has been quietly closed; most of its staff members reassigned . . . **Manion Forum has reached its goal of 200 radio stations — up from 29 stations in 1954 . . .** The Navy has lowered the boom on the successful anti-Communist film *Communism on the Map*. It shall not, says SEVNAV Notice 1560 "be used by Department of the Navy personnel."

Statute of Limitation on Conscience at Oxford: Oxford students reactivating the Communist Party group which was disbanded at time of Hungarian revolution.

ideologists were pink. The talk *then* was about how Senator McCarthy was damaging the morale of the army, by picking on so exemplary a soldier. The talk today is not of whether the army corps is dismayed by so ruthless a return for a lifetime's gallantry, but of the satisfaction felt by the execution of condign punishment against a man with a patriot's distaste for the deteriorated will of the epicene leaders of the Liberal movement in this country.

Let it be recorded that President Kennedy, whatever his failures in Laos and Vienna and the Bay of Pigs, came back with General Walker's scalp. Who knows, another hundred days and the New Frontiersman may bring back another general's scalp. One thousand days and we will have—Disarmament!

## Whassyashay???

Not content with fines of \$2 million levied on the electrical industry for violations of the anti-trust laws, the Justice Department now seeks consent decrees that would 1) make it unlawful to sell "at unreasonably low prices" (undefined); 2) make it unlawful to sell at prices that would "substantially injure" the competition (undefined) or tend to create a monopoly (undefined); and 3) place on the companies, at the demand of the Justice Department, the burden of proving that they have not sold at such a price or with such an effect. And, if the companies don't sign the consent decree, Justice will institute divestment proceedings—that is, break them up into little pieces.

The Justice Department's demands proceed from a congeries of major misconceptions. 1) A low selling price is not necessarily harmful to the community, if it benefits the consumer at the cost of closing up inefficient producers. 2) Taking a loss in order to establish a product is often the only way to get into business, and it is the counterweight in a free-market system that provides eventual profits as the incentive to take initial losses. 3) In a free-market economy the existence of monopoly is not *de facto* proof of the absence of all competition, for the possibility of *potential* competition is always present and will be invited if the dominant producer raises prices to the point where new elements of production are attracted by the unusual profits. 4) The anti-trust laws exist ostensibly to prohibit monopoly, but their ultimate justification lies not in the desire for one form of enterprise rather than another, but in the recognized need to protect the public from the possible abuses of monopoly (no one has—as yet—urged the "divestment" of such monopolies as Consolidated Edison).

General Electric appears to have steeled its nerve for a long fight, and rightly so. The Justice Department is proceeding with bureaucratic arrogance and economic ignorance that deserve the roaring opposition of anyone interested in the system that has given us our abundance of goods: pricing for sales, and production for profit.

## • At Home •

Washington

**A correspondent at** the National Press Club member's bar said bitterly, "Khrushchev preaches peaceful coexistence, but the way Kennedy is handling foreign policy this country is going to get peaceful non-existence." An expert on Latin-American affairs remarked with equal bitterness, "I used to be a pretty hot Democrat, but this Administration is driving me into the arms of the Republican Party." Two diplomats from major South American countries shrugged. "No use trying to do anything here," they said. "At the State Department, we are told that no decisions can be made without the approval of Adolf Berle, who has no diplomatic status. And Berle won't say yes, no, or maybe about anything. Thank God your President is going to fire him."

These private sentiments, expressed at a private bar, reflect what the newspapers carefully do not print. Despite growing disillusionment over the Kennedy Administration in the Washington press corps, the great cover-up continues. Raw patronage plays, the politicalizing of the Post Office and the Interior Departments, rampant nepotism, and the systematic suppression of news fail to stir the journalistic guardians of public morals. The appointment of Carl Spaeth, one of Alger Hiss' ardent boosters, to the post of Assistant Secretary for Inter-American Affairs, was met with the usual press huzzas. (Those huzzas turned to puzzled bleats when a couple of days later Spaeth announced that he would not accept the appointment after certain pressures had been brought to bear on the Administration by anti-Spaeth forces.)

But the biggest cover-up of all has involved the President's very serious back ailment. *Time*, in a flurry of enthusiasm, had Mr. Kennedy bounding in and out of cars, up and down steps, in Europe though he was then in great pain and favoring his back. Correspondents who made themselves "experts" on heart attacks and ileitis a couple of years back, have failed to note some elementary and pertinent facts about Mr. Kennedy's lumbosacral problems. Is it in bad taste to point out that these muscle spasms can have a crippling effect, that today there are several wonder drugs which relieve them, and that the use of procaine (a morphine derivative) merely eases the pain but does not attack the cause? The President has been receiving massive injections of procaine—and it is being quietly asked just what effect this will have on his system.

**A few members** of Congress have been taking a long, unhappy look at the United Nations and its finances. In 1960, the UN cost its members \$335 million to run—of which \$146 million came out of Uncle Sam's pocket. The

U.S. put down cash on the barrelhead, but the Soviet Union (whose share by some process of political accounting came only to \$18 million) is still heavily delinquent for the past and previous years. The Communists, moreover, have refused to ante up their share of the ballooning bills run up by the UN Emergency Forces in the Congo and in other trouble spots of the world. In 1960, half the members of the UN failed to keep up their payments for the "glass menagerie on the East River." Cuba and Ghana, those wonderful democracies, remitted not a penny.

To question the value of the UN, many legislators know, is a dangerous business. But there have already been some inquiries from the floor—and the State Department is being asked why the United States should carry so much of the load for a debating society whose main efforts seem to be the tweaking of the American eagle's tail feathers. Just what this country gets for its philanthropic efforts in behalf of diplomacy's Dead End Kids has never been explained—except in the orotund or vacuous terms of an Adlai Stevenson or an Eleanor Roosevelt.

**The Republican victory** in Texas, the possibility of a Republican governor in New Jersey (ruthlessly Liberal though he may be), and the glimmering chance that Tammany Hall can be toppled in New York have Republican strategists jubilant—and the Democrats jittery. The GOP, however, is watching California—where a gerrymandering job of shameful proportions will probably rob it of five House seats. It is frankly conceded that only a strong gubernatorial candidate in 1962 can defeat the fumbling Governor Edmund (Pat) Brown and sweep in a GOP state and congressional ticket. Former Governor Goodwin Knight is making hopeful noises for the candidacy—but his stock is very low. Senator Thomas Kuchel has so blatantly played the Democratic game that at a recent Republican fund-raising dinner in California, the mention of his name was met with dead silence.

This leaves former Vice President Nixon as the strongest man available. The pressures on him to run are tremendous, according to reports from members of the California delegation to Congress. Mr. Nixon plays his cards close to his vest—and to date he has refused to be committed. Obviously he is waiting to see what develops in his state and nationally before he makes a decision.

The professionals believe that though Mr. Nixon may be down, he is far from out. They assert that 1) Senator Goldwater cannot win the nomination in 1964, 2) that Mr. Goldwater is aware of this and is dedicating himself to creating a political force which can be felt at the next Presidential convention, and 3) that the Goldwater and Nixon forces would unite to a man to prevent the nomination of Governor Nelson Rockefeller of New York. If this analysis is true, the conservatives of America can breathe a sigh of relief.

QUINCY

**PEOPLE:** Rep. Chet Holifield (D., Cal.) and Sen. Henry Jackson (D., Wash.) sparking so-called TNT (talk 'n test) movement in Congress which is rapidly gaining adherents. They say the U.S. should get on with the nuclear arms tests the Pentagon deems vital while negotiating with the Soviets on a nuclear arms ban . . . . New GOP National Chairman William Miller serves notice on Democrats that Republicans will concentrate efforts next year to unseat Democratic Senators Carroll (Colo.), Church (Ida.), Smith (Mass.), Morse (Ore.) and Long (Mo.)—all of whom he believes to be vulnerable . . . . Connecticut Republicans would like to see John Cabot Lodge, former GOP governor, recent and extremely effective U.S. Ambassador to Spain, run in Connecticut's gubernatorial election next year . . . . Nathaniel Weyl (author, *Red Star over Cuba*) may run for Congress on GOP ticket in Palm Beach (Fla.) district in '62. . . . Nelson Rockefeller has already let it be known that (thanks, but no thanks) he doesn't want Richard Nixon's support in his gubernatorial campaign (thus following lead of John Tower, who spurned Nixon's offer to help in special Texas Senatorial campaign).

Chancellor Adenauer (84) plans to make seven more major campaign addresses this year than he did in 1957 . . . . Lebanon has asked Dr. Hjalmar Schacht (finance minister of the Third Reich) to reorganize its finances and Schacht is reported to have accepted.

Former U.S. Ambassador Hill (to Mexico) in testimony before Senate Internal Security Subcommittee said about William Wieland, the State Department official who helped Castro's rise to power: "Mr. Wieland was either a damn fool or a Communist, and I don't think he was a Communist." (Wieland has been removed from Latin desk; not from Department) . . . . Cuba's new Ambassador to the UN, García Inchaústegui, was thrown out of Uruguay last year for helping foment Communist riots . . . . Supreme Court Justice Douglas told a Miami audience (May 18): "You cannot blame a Cuban who earns less than \$18 a year, as the Cuban peasant did during the Batista days, for wanting to foment revolution." (The facts: Any Cuban cane-cutter who earned only \$18 a year would have worked only six full days that year.)

Causing untold anguish in the White House: The AMY 45 rpm record spoof entitled: "The Presidential Press Conference."

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## • Trends •

**The conservative movement** among American young people has focused its energies upon a new and formidable target—a gargantuan youth group known as the National Student Association, a confederation of some 300-odd student governments. Conservative elements in the NSA have been working for some months; they have recently edged toward the surface, and promise to burst skyward at NSA's annual congress in Madison this August.

NSA is supposed to deal with matters of generic concern to the college campus; according to its constitution, it is not supposed to deal with matters of national and international politics. Yet its fifteen-year history has been marked by insistent campaigns on such topics as federal aid to education and America's internal security program, and a spate of resolutions covering everything from nuclear testing to "colonialism in Mozambique." And NSA's position on such matters, proclaimed in the name of some 1.3 million collegians (the aggregate student bodies of all associated colleges and universities), is invariably canted to the Left.

At its last congress, NSA even adopted a resolution supporting the "right of non-violent protest" for the Japanese students who demonstrated last year against President Eisenhower—omitting to mention that the students were led by Communists, forced the cancellation of Eisenhower's visit, and inflicted a humiliating propaganda defeat on the United States.

Such declarations have inflamed the ire of the young conservatives who protest that NSA does not speak for them, and who question whether it in fact speaks for anyone at all beyond a coterie of Liberal NSA officers.

Theoretically, NSA policies are established by delegates in convention assembled. But more often than not its pronouncements are simply concocted by the group's 35-man executive committee. At the last congress, the conservatives point out, only 13 policy statements emerged from the plenary session, while a grand total of 82 were passed by the executive committee, after the delegates had gone home. One of the 82—promulgated in the delegates' behalf without their knowledge—was the show of camaraderie for the Communist-led students of Japan.

That such actions come as news to the delegates was made apparent to the writer earlier this year. A student who attended the 1960 congress vehemently contested my assertion that NSA had passed its resolution concerning the Japanese rioters. She was there, the young lady said, and no such resolution was adopted. If a delegate to the congress does not know what was enacted in her name, we can well imagine how representative such motions are of NSA's total "membership."

The young conservatives have formed two national organizations aimed at counteracting this sort of misrepresentation and, if possible, at achieving some kind of internal reform within NSA itself. These are The Committee For a Responsible National Student Organization

(79 Madison Ave., New York City), headed by Howard Phillips of Harvard University, and Students Committed to Accurate National Representation (640 Emerson St., Evanston, Ill.), headed by Miss Kay Wonderlic of Northwestern. Others active in the reform effort include Bill Dalgetty, past president of the student body at the State University of Iowa; Stan Dempsey, former student leader at the University of Colorado; Tom Huston of Indiana University; Thomas Reilly Jr. and Dick Noble of Stanford; Jim Blythe of Butler; George Decas of the University of Pennsylvania; and numerous others.

Many of these youth leaders will converge on NSA's 1961 congress, to agitate for more faithful representation of campus sentiment. Miss Wonderlic's organization has made a number of specific proposals, designed to insure that NSA does not invoke the corporate prestige of "American students" to backstop the opinion of a few NSA moguls. On SCANR's list are proposals that NSA's executive committee be prevented from legislating in behalf of the entire organization; that all executive committee statements be clearly identified as such; that, during the annual conventions, committee chairmen be prohibited from joining in debates without relinquishing the chair; that working papers on controversial issues contain balanced presentations; and that, by vote of 20% or more of the delegates, minority reports be included in NSA's codification of policy statements.

**The reformers broke** a preliminary lance at an NSA-sponsored rally in behalf of the Peace Corps, held at Washington's American University this spring. A group of 50 or so young conservatives attended the conference, and did battle for a series of proposals intended to convert the new agency into an effective instrument of anti-Communism. Participants in the Peace Corps séance Miss Wonderlic reports, "found ample literature and 'working papers' which extolled the virtues of the Peace Corps in beautiful prose. Every major speaker at the conference, including Peace Corps Director Sargent Shriver and other congressional supporters of the plan, was closely associated with the Corps and could not be expected to shed anything but a highly favorable light on the organization."

Nevertheless, the young conservatives report some encouraging results. By dint of long oration, and prolific resort to the mimeograph machine, they were able to expose some of the more glaring weaknesses of the Kennedy proposal to the conferees, and to the Washington press. According to conservative youth leader Robert Schuchman, the insurgents cajoled the conferees "into modifying or changing at least half of the resolutions."

The conservatives view the Peace Corps encounter as a dry-run for Milwaukee, where they hope to make an even better showing. On the visible evidence, they have a long way to go. But they have at any rate served notice on NSA that it can no longer proclaim Liberal dogma in the name of American students, and go unchallenged.

M. STANTON EVANS

## • Abroad •

**Tokyo.** The best qualified observers are convinced that the present state of affairs cannot long continue in Japan; and that what the nation faces is not a mere *crise de gouvernement* but a *crise de régime*. The grotesque turmoil, inside the parliamentary chamber as well as on the street, over the law "to suppress acts of political violence" demonstrated that the present political setup is just not working. The tens of thousands of trade unionists, students and young gangsters parading and screaming outside the Diet building were perhaps a less conclusive symbol of collapse than what went on within: the activist squads of Socialist deputies physically conquering the presidential tribune; the "secretaries" (as the bodyguards are politely termed) of the deputies cursing and fighting each other; the Socialist deputy cutting his clothes to shreds and using the remnants as a rope to prevent the opening of the door through which the President (Speaker) was supposed to enter in order to open the session officially; the ancient President (Kiyose) being carried in, trembling with fear, by tough young conservative deputies; the farce of the motion announced as carried without any attempt at determining whether a quorum was present or counting the vote. The end would seem near for the doctrinaire "model democracy" which the American Occupation, bedeviled by a combination of idealism, naiveté and leftwing trickery, imposed on Japan fifteen years ago in complete disregard of Japanese tradition, culture and material conditions.

**Evian.** It has begun to occur to one or two of the French delegates to the conference with GPRA (Provisional Government of Algerian Republic—i.e., the political committee of the FLN) that there is a significant parallel between this meeting on Algeria and the Geneva meeting on Laos. In both cases the Western side imposed on itself a cease-fire in the field in order "to create a suitable atmosphere for negotiations." In both cases the anti-Western side has paid no attention to the cease-fire, but has continued to advance its power position: in Laos, by taking outright control of more and more territory; in Algeria and France by a stepped-up campaign of assassination and "plastics" (bombings). Two questions are insistently suggested: How can the West hope to gain by talk what it fails to win in the field? Does the basic identity between the FLN and the Pathet Lao tactical methods indicate that a Communist hand is now guiding the former, as it has long guided the latter?

**Cairo.** During the past month a sharp debate has been going on between the official press of this city and of Moscow over the question of the treatment of Communists and Communist parties in the UAR and the Arab nations more generally. *Trud*, *Pravda* and other Moscow journals denounce the "odious campaign" against the Arab Communists and "the lies of certain Cairo newspapers which are at the level of the most miserable lucu-

brations of the reactionary propaganda of the West." Nasser's *Al Missawar* answers indignantly with the demand that Moscow "be satisfied with UAR's neutrality and halt the activities of the Communist parties in Arab countries." The conflict here explains why the November Manifesto of the 81 Communist Parties included freedom of action for Communists as part of the definition of "nationalist democracy." The Manifesto declared that the UAR, unlike Cuba, was not yet a "true" nationalist democracy because of the absence of this condition.



Vicky, London Evening Standard

"This little piggy went to the Common Market, this little piggy stayed at home . . ."

**Brussels.** While economists and ideologues continue to argue about the comparative Growth Rates of Russia and the United States, the fabulous economic development of the six nations of the European Common Market continues to surpass both by a wide margin. In the eight years from 1952 to 1960 the steel production of the Six increased by no less than 75% (from 41.8 to 73.5 million tons). This has been accompanied by an actual decrease in the total number of workers employed in the industry, as well as in the number of working hours. In the report that presented these figures, Rolf Wagenführ, chief of the Common Market's statistical services, also noted that the deepening integration of the six nations' economies was decreasing the cyclical drops in the business cycle, tending to equalize prices, wages, etc. throughout the Common Market, and speeding the automation and rationalization of both industrial and business methods.

**Bangkok.** Tiny three-wheeled taxis, rather like the motorized golf carts used in America, have now replaced all the pedicabs, which in their day ousted the man-pulled rickshaws. The taxis, like so many of the products now entering into the economies of Southeast Asia, are made in Japan. In Manila, Saigon, Taipei, Rangoon, Kuala Lumpur, the Japanese economic expansion is dramatically evident: in every sort of instrument and appliance, radios, TV sets, cameras, iceboxes, electrical appliances of all kinds; in machinery, tools, heavy capital equipment; in purchase of rice, sugar, fruits, minerals; in capital investments flowing into industry, transportation and mining.

# • The Investor •

**Certain politicians** and university professors in positions of national responsibility talk as though the interests of business and of the investor are inimical to the economic welfare of the great majority of the people. Nothing could be further from the truth. It is business which brought about the high standard of living which the people of this country now enjoy. Our prosperity is intimately bound with the continued and accelerated productiveness of business. And this will hardly be encouraged by a Washington which shows every sign of hostility toward business generally.

Washington is not alone in its concern over unemployment. We cannot afford the loss in production which results when millions are unemployed. And although the government figures on unemployment, as presently enumerated, are grossly inflated (as Mr. Whalen pointed out in the June 10 *Bulletin*), still unemployment is high at the moment and must be reduced. How can this best be accomplished?

It is axiomatic that businesses with growing profits hire more employees. In a free capitalistic economy it is profits which provide the incentive and the means for industry to hire more, to produce more, to create new products, and to find means to reduce the cost of older products. Profits provide the means for raising a nation's living standards by voluntary methods. It is difficult to understand how the present Administration can hope to reduce unemployment by making profits appear immoral.

A New England investment counsel has computed the following from data of the Departments of Labor and Commerce:

## COMPARISON OF PROFIT MARGINS AND EMPLOYMENT

Profits as		Unfavorable Trend		
% of Sales	All Mfg.	Textiles	Railroads	
1960 .....	7.7%	5.1%	1.5%	
1955 .....	10.2	5.5	2.0	
% Change 1955-60	-25	- 7	-25	
Employment (Thous.)				
1960 .....	12,200	852	781	
1955 .....	13,100	985	1,058	
% Change 1955-60	- 7	-14	-26	
		Favorable Trend		
Profits as		Drugs &		
% of Sales	Instruments	Medicine	Chemicals	
1960 .....	12.9%	19.1%	15.0%	
1955 .....	12.3	18.1	15.5	
% Change 1955-60	+ 5	+ 5	- 3	
Employment (Thous.)				
1960 .....	350	106	340	
1955 .....	321	93	309	
% Change 1955-60	+ 9	+14	+10	

The industries with a declining profits trend reduced their number of employees, while those industries with

favorable earnings trends increased employment. A prime example of a sick industry, as the chart demonstrates, are the railroads where employment in a period of five years dropped 26%.

Attacking General Motors for developing the diesel locomotive which revolutionized railroad propulsion does not encourage either General Motors, or other corporations, to risk substantial money and effort to develop radically new products. If the effort fails, the corporation loses shareholders' money. If it succeeds too well, the government attacks it as a malefactor.

The steam locomotive builders had ample funds to develop a successful diesel propulsion unit. Instead, they derided the idea and left it to a more venturesome automobile company to take the major capital risks involved in creating reduced transportation costs for the American people. General Motors took the gamble in the hope of earning all-important profit.

According to recent reports, the Justice Department now intends to prevent G.E. and Westinghouse from selling at too low a price for fear they may drive smaller competitors out of business. Coming on top of the suit to break up a conspiracy to set prices on a basis other than cutthroat competition, the latest Justice Department move suggests that the government will ultimately settle for nothing less than price control.

Price control is a means by which government limits profits. Profit restriction, by decree, takes away all incentive for management to reduce costs and create new products.

**Forty % of** the receipts of the U.S. Treasury come from corporate profits, so it should be clear that whatever makes corporate profits grow produces more government revenue. But in the past decade profits as a percentage of sales have declined from 9% to less than 6%. Rising costs, mainly wages, have been responsible. Restrictive work practices as well as unjustified wage increases have pushed costs up and squeezed profits. The situation could be helped by a reduction in corporation taxes, but this would have to be accompanied by cutbacks in government spending. And this brings us to the extremely important national depreciation policies. To reduce costs, business must replace its obsolete production machinery. To induce business to scrap obsolete equipment, all that is required is the adoption of the same intelligent depreciation policy now used by practically every other country in the Western World.

President Kennedy recognizes the depreciation problem and its significance, but permits his appointees to offer a half-baked plan which cannot achieve his stated objectives. If the Kennedy Administration is to be successful in reducing unemployment, in raising the standard of living, in stepping up the defense and space exploration programs, it must find ways to encourage business to greater effort. And the profit motive is still the mainspring of creative business.

NORVIN R. GREENE

